



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-7000

OFFICE OF ASSISTANT SECRETARY FOR
COMMUNITY PLANNING AND DEVELOPMENT

AUG 20 2008

MEMORANDUM FOR: All State CDBG Grantees
All CPD Field Office Directors

FROM: Manuel T. Ochoa, Deputy Assistant Secretary for Grant Programs, DG

SUBJECT: Information for States in Preparation for the Release of the Re-engineered Integrated Disbursement and Information System (IDIS)

This memorandum provides notice to states regarding the status of CPD's re-engineering of the Integrated Disbursement and Information System (IDIS) particularly as it relates to the State Community Development Block Grant Program (CDBG). System development has been proceeding on a modular basis and grantees have been encouraged to participate in testing of the various modules as they have become available. CPD expects to conduct a month of full system testing beginning in mid-August. The initial release of the system will be in October for a small number of grantees including four states (North Dakota, South Dakota, Wisconsin, and Colorado). Conversion of a second group of grantees is scheduled for late November and full system conversion anticipated in January, 2009. CPD thanks the states for participating in system testing and providing valuable feedback.

The remainder of this memorandum describes various known impacts resulting from system conversion. CPD expects this to be the first of several updates as we get closer to releasing the re-engineered version of IDIS. As you review this memorandum, please keep in mind that any references to current IDIS screen names/numbers are provided for reference only. The screen identifiers will be different in the re-engineered system.

Issue 1: Actual accomplishments for activities meeting the low and moderate-income (LMI) national objective will no longer be required on the "Setup Activity" screen (current MA04 screen). Proposed accomplishments will still be required for all activities except Administration and Planning.

State CDBG Impact: This change will greatly reduce the reporting burden for states. It eliminates duplicate data-entry since the information on actual accomplishments is collected on other screens, namely the current Area Benefit (CDBG 07) and the Direct Benefit (CDBG 08) screens.

Other Information: States will still be required to enter actual accomplishments for activities meeting the slum/blight and urgent need national objectives since this data is not collected on other screens.

If states anticipate a need for the actual accomplishment data as it appears on the MA04 screen, they should download the data from IDIS and/or ascertain that the data is available

from the state's own systems. The number of actual accomplishments will be converted for slum blight and urgent need activities only. Accomplishment text will be converted for all activities as follows: for those with a national objective, accomplishment text will be retained by year; for administration/planning activities, the accomplishment text will be appended to the activity description field on the new "activity" screen in IDIS.

Issue 2: The elimination of the MA04 actual accomplishment data will affect two year-end IDIS reports. These are:

1. The "CDBG Activity Summary Report for Program Year XXXX" (the PR03 Report)
2. The "Summary of Accomplishments" (the PR23 Report)

The elimination of the data will not affect states' ability to use the two reports.

State CDBG Impact: For Area Benefit activities, data from the current CDBG07 (Area Benefit) screen will replace data from the MA04 screen. For Direct Benefit activities, data from the current CDBG08 (Direct Benefit) screens will replace the data from the MA04 screen. However, this means that for those states that have activities with annual data prior to 12/13/05 (the date of the IDIS 9.0 conversion), this data will NOT appear on the above reports. This is because the CDBG08 screen only reported cumulative data to the conversion date and the CDBG07 screen did not report persons served. Annual data for actual accomplishments for LMI activities in older years which states had entered on the MA04 screen will be missing from the reports.

Other Information: To reiterate, states will still be able to use the above reports as they will have all current data and cumulative data for prior years.

Actual accomplishment data for LMI activities from the MA04 screen will not be converted to the re-engineered system. Actual accomplishments reported on the MA04 screen for report years prior to 12/13/05 (the date of the IDIS 9.0 conversion) will NOT appear on the above reports. Direct Benefit data from the CDBG08 screen will serve in place of the MA04 data, but the figures will be cumulative for the entire period prior to 12/13/05 and will not be broken down by individual program year before that date. For LMI Area Benefit activities, the "Total Low/Mod Universe Population in Service Area" reported on the CDBG07 screen will be used for all program years.

Actual accomplishment data reported on the MA04 screen for Slum/Blight and Urgent Need activities will be converted to the re-engineered system.

Issue 3: Beneficiary data for LMI Area Benefit activities will no longer be required. Previously reported beneficiary data for these activities will not be converted.

State CDBG Impact: Elimination of this requirement will reduce the reporting burden on states. Since data will not be converted, states may wish to archive existing data prior to system conversion.

Other Information: States have previously been required to provide beneficiary data for LMI Area benefit activities in IDIS. In the re-engineered system, states will only report beneficiary data for direct-benefit activities as Entitlements now do. In conjunction with this change, at the time of conversion of a state's data to the re-engineered system, all historic beneficiary data for area benefit activities will be gone from the system. HUD will not require any future reporting of this information. If states anticipate a need for this data for their own purposes, they should retain a backup prior to system conversion. The data may be downloaded from IDIS or preserved in a report. Some states may also have this data incorporated within their own systems.

Issue 4: States will be required to use the "Grant Year" field on the "Funding" screen in the re-engineered system.

State CDBG Impact: Use of the "Grant Year" field will allow states to identify the source year(s) for the grant(s) funding an activity. This is essential to allow generation of the state's Performance and Evaluation Report (PER) from IDIS since states are required to report on performance and accomplishments by grant. It is important to remember that while the new PER will provide for reporting financial status by "Grant Year", draws in IDIS will still be done following FIFO rules.

Other Information: Although not required in the current version of IDIS, we encourage states to begin using the "Grant Year" field on the current screen MO05 (Maintain Activity Funding). This will clearly identify which grant(s) are actually funding an activity and aid in the generation of future PERs.

Issue 5: The name of the state's local government grantee will be a required data field in the re-engineered system. CPD will need the states' assistance in converting data to populate this field.

State CDBG Impact: Currently, the states' grantees may be named in one of several fields or sometimes not even specifically identified in IDIS. Since this information has not been consistently reported by the states, HUD must seek the states' assistance in confirming the names of their grantees. In order to complete the data conversion for the re-engineered IDIS, CPD will ask states to provide a data file identifying the name of the local government grantee for each activity. We will provide detailed guidance for preparing this file as soon as we have the specifications from the contractor.

Other Information: Review how and where the name of the local government which receives a grant is currently recorded. Consistent recording of the name of the state's grantees will assist in converting data to the re-engineered system and reduce data purification requirements.

Issue 6: New Matrix Codes will identify "Planning Only" and "State Administration" activities.

State CDBG Impact: In order to clarify state reporting for planning and administration activities, two new matrix codes will be available in the re-engineered system. These codes are "20A" for "Planning Only" activities and "21J" for "State Administration". Implementation of

these codes will assist in generating the PER from IDIS. These are new codes establishing new subsets for planning and administration. At the time of system conversion, planning activities with a matrix code of "20" which also have a national objective code will be changed to code "20A". States will need to verify codes for "Planning Only" activities and edit as necessary. The system does not have a basis for identifying activities associated with "State Administration" so these activities will need to be coded directly by the states. These edits may be limited to the current program year and adjustments to the PER for prior program years can be handled in the parameter entries specified in Item 8 below.

Other Information: "Planning Only" activities are not associated with another eligible activity, are required to meet a national objective and are included in the overall 20% cap on planning and administration expenses. State Administration refers to administrative expenses incurred by the state in carrying out its statutory responsibilities under the Housing and Community Development Act (HCDA) for administering its CDBG grant [HCDA 106(d)(3)(A)]. The code for "State Administration" will enable states to identify activities subject to both the overall 20% cap as well as the limit on the set-aside for state administration i.e. \$100,000 plus up to 3% of the grant plus program income plus reallocated funds.

Issue 7: Address information for activities

State CDBG Impact: Street addresses will only be required for multi-family housing activities. Individual addresses will not be required in IDIS for single-family properties.

Other Information: States have been concerned about entering address information for some activities citing both workload and privacy issues. CPD needs to be able to provide the most complete locational data possible in support of program accomplishments. CPD has sought flexibility in entering census tract or address information but cannot incorporate this into the system at this time. We continue to encourage states to provide the most complete information concerning the location of activities as feasible.

Issue 8: Generating the PER from IDIS

State CDBG Impact: States will be able to generate Part I of the PER from IDIS after the re-engineered system has been released. This will include the Financial Status, National Objectives, and Activity Summary (PR03) portions of the report. The report generation will include a parameter screen where states can make adjustments for data not entered in IDIS. States should plan to carefully review the initial PERs generated from IDIS to ensure that they accurately reflect actual program performance. States will continue to prepare the narrative statement required as Part II of the PER to describe resources, investments, beneficiaries and actual versus proposed outcomes for performance measures submitted with the Consolidated Plan.

This capability is scheduled to be initially available in early January 2009. Prior to this release date, states can continue to use the instructions contained in CPD Notice 07-06(a) which describe the streamlined procedures for submitting PERs.

Other Information:

Generation of the PER is dependent upon identifying the annual grant which funds each activity. CPD is examining the feasibility of using the project year as a proxy for the grant year in identifying funding sources for activities for prior years. We plan to provide an automated data conversion which will assign the project year as the fund year if the fund year has been left blank or entered as zero. This will avoid any requirement for states to backfill funding data but some review and verification may be necessary. Combining this strategy with providing the local government grantee data described in Item 5 above will enable states to generate satisfactory PERs for the current and prior years.

In summary, CPD is attempting to make the conversion to the re-engineered IDIS as simple as possible and to keep the states informed of our progress and any issues which may affect them. We expect to continue to provide additional information and updates as the conversion date gets nearer.

Please contact the State and Small Cities Division at 202-708-1322 for additional information or if there are any questions concerning these changes.